

ASSEMBLY BILL

No. 1485

Introduced by Assembly Member Jeffries

February 23, 2007

An act to add Section 205.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1485, as introduced, Jeffries. Property tax exemption: spouses of deceased members of the United States Armed Forces.

The California Constitution authorizes the exemption from property taxation of the principal residence of a disabled veteran, or a veteran's spouse, in the case in which a person has, as a result of a service-connected disease or injury, become disabled or died while on active duty in military service. Existing property tax law specifies an exemption amount of \$100,000, but increases that amount to \$150,000, if the exemption claimant's income does not exceed \$40,000 as adjusted by a specified inflation factor.

This bill would, beginning with the lien date for the 2008–09 fiscal year, fully exempt from property taxation the principal residence, as specified, of the unmarried surviving spouse of a member of the United States Armed Forces that died as a result of a service-connected disease or injury, as specified.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state

shall not reimburse local agencies for property tax revenues lost by them pursuant to this bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 205.6 is added to the Revenue and
2 Taxation Code, to read:
3 205.6. (a) Notwithstanding any other provision of law,
4 beginning with the lien date for the 2008–09 fiscal year, property
5 that is owned by, and that constitutes the principal place of
6 residence of, the unmarried surviving spouse of a person that died
7 while on active duty in the United States Armed Forces as a result
8 of a service-connected injury or disease is exempt from taxation.
9 (b) For purposes of this section, all of the following apply:
10 (1) For any assessment year, “principal place of residence”
11 includes only one of the following:
12 (A) Property that is the principal place of residence of the
13 unmarried surviving spouse.
14 (B) Property that was under construction or was under a contract
15 for purchase that was in escrow on the date that the person died,
16 and to which both of the following apply:
17 (i) The unmarried surviving spouse and the deceased person
18 cosigned the loan used to finance the purchase or the construction.
19 (ii) Upon the close of escrow or upon the completion of
20 construction, the property was intended to be the principal place
21 of residence of the deceased person and his or her spouse.
22 (C) Property owned by the unmarried surviving spouse with
23 one or more other persons to the extent of the interest owned by
24 the unmarried surviving spouse.
25 (2) The United States Department of Veterans Affairs shall
26 determine whether an injury or disease is service connected.
27 (c) Notwithstanding any other law, pursuant to Section 6 of
28 Article XIII of the California Constitution, a person that fails to
29 claim the exemption authorized by this section for a particular
30 fiscal year is deemed to have waived the exemption for that fiscal
31 year.

1 SEC. 2. Notwithstanding Section 2229 of the Revenue and
2 Taxation Code, no appropriation is made by this act and the state
3 shall not reimburse any local agency for any property tax revenues
4 lost by it pursuant to this act.

5 SEC. 3. This act provides for a tax levy within the meaning of
6 Article IV of the Constitution and shall go into immediate effect.

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